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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/027,420

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Todd A. Schwartz

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EXAMINER

SHAH, AMEE A

ART UNIT

PAPER NUMBER

3625

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
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3 MONTHS

01/03/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/027,420

Applicant(s)

SCHWARTZ ET AL.

Examiner

Amea A. Shah

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 October 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-5,8-11 and 25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-5,8-11 and 25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 December 2005 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____.

- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____.

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DETAILED ACTION

Claims 1-5, 8-11 and 25 are pending in this action.

Response to Amendment

Applicant's Amendment, filed October 18, 2006, has been entered. Claims 6, 7 and 12-24 have been cancelled. New claim 25 has been added.

Examiner Note

Examiner cites particular pages, columns, paragraphs and/or line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Claim Rejections - 35 U.S.C. §103

The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. §103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. §103(c) and potential 35 U.S.C. §102(e), (f) or (g) prior art under 35 U.S.C. §103(a).

Claims 1-5 and 8-11 are rejected under 35 U.S.C. §103(a) as being unpatentable over Kay et al., US 2002/0144275 A1 (hereafter referred to as “Kay”) in view of Cansler et al., US 6,725,257 (hereafter referred to as “Cansler”) and Rodriguez, US 2003/0005452 (hereafter referred to as “Rodriguez”).

Referring to claim 1. Kay discloses a digital content pricing apparatus, (see Abstract) comprising:

- a sales computer to calculate a final price (Fig. 1 and ¶0034 – note the computer is the billing system (160) that is capable of calculating a final price); and
- a memory capable of being communicatively coupled with the sales computer, including a plurality of digital content items (Fig. 1 and ¶¶0029-0032 and 0034 – note the memory is the server (130) which is capable of being coupled to the billing system), wherein each one of the plurality of digital content items is associated with a base price (Fig. 3 and ¶0045 – note the base price is the default price).

Kay discloses the memory storing a base price (i.e. the default price) and another price (i.e. a discount) wherein each of the plurality of digital content items is associated with a final price related to the base price and another price by a final pricing formula (Figs. 12C, 15 and 16 and ¶¶0045-0052). However, Kay does not explicitly show wherein the memory includes at least one item configuration option associated with an option price, and wherein the other price associated with a final price to the digital content item by a pricing formula is the option price.

Cansler, in the same field of endeavor and/or pertaining to the same issue, discloses a system for configuring a product using a server and computer network wherein the product has multiple configurations and the memory stores item configuration options associated with option prices (Abstract, Fig. 2, col. 5, lines 34-38, col. 7, lines 45-64 and col. 9, lines 30-33 – note the memory is the configuration database, the option prices are the MSRP and/or dealer invoice prices, and Cansler envisioned other products besides vehicles).

Rodriguez, in the same field of endeavor and/or pertaining to the same issue, teaches that multiple configurations, i.e. add-on options, associated with unalterable content can be provided. Rodriguez discloses a media system providing improved availability of purchasable recordable media content downloaded from a remote server wherein the media content, i.e. product, has multiple configurations such as content quality, download time and bandwidth and different prices for each configuration (Figs. 12-16 and ¶¶0068, 0069, 0072-0074, 0080 and 0081).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to have modified the system of Kay to include the teachings of Cansler and Rodriguez to allow for the memory to include at least one item configuration option, such as content quality, associated with an option price, and to use this option price as the other price to associate with

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the digital content final price by the pricing formula. One of ordinary skill in the art would have been motivated to do so based on the suggestions taught by Cansler and Rodriguez that doing so would allow for customers to choose and configure their own customized product, such as higher or lower quality or receiving it at a certain time, to be in a more efficient and knowledgeable manner, for example by having pricing and compatibility information (Cansler, col. 3, lines 58-65 and Rodriguez, ¶¶0068 and 0069).

Referring to claim 2. Kay in view of Cansler and Rodriguez discloses the digital content pricing apparatus of claim 1 wherein at least one of the plurality of digital content items is directly associated with the final pricing formula (Kay, Figs. 12C, 15 and 16 and ¶¶0045-0052 – note the digital content is associated with a default price, a custom price and/or a discount which are directly associated with the final pricing formula).

Referring to claim 3. Kay in view of Cansler and Rodriguez discloses the digital content pricing apparatus of claim 1 wherein the memory includes a plurality of pricing formulae including the final pricing formula (Kay, Figs. 12C, 15 and 16 and ¶¶0045-0052 – note that the memory is capable of storing one or many pricing formulae and that the difference between the memory containing a final pricing formula or a plurality of pricing formulae is only found in the nonfunctional descriptive material and would not distinguish the apparatus from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowrey*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994); *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959)).

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Referring to claim 4. Kay in view of Cansler and Rodriguez discloses the digital content pricing apparatus of claim 1 wherein at least one of the plurality of digital content items is associated with a plurality of configuration options, including the item configuration option (Cansler, Abstract, Fig. 2, col. 5, lines 34-38, col. 7, lines 45-64 and col. 9, lines 30-33 and Rodriguez, Figs. 12-16 and ¶¶0068, 0069, 0072-0074, 0080 and 0081) so that customers can choose and configure their own customized product, such as higher or lower quality or receiving it at a certain time, in a more efficient and knowledgeable manner, for example, by having pricing and compatibility information.

Referring to claim 5. Kay in view of Cansler and Rodriguez discloses the digital content pricing apparatus of claim 1 wherein the final pricing formula includes an option adjustment factor associated with the item configuration option (Kay, Figs. 12C, 15 and 16 and ¶¶0045-0052, Cansler, col. 7, lines 45-64 and Rodriguez, Figs. 12-16 and ¶¶0068, 0069, 0072-0074, 0080 and 0081) so that customers can choose and configure their own customized product in a more efficient and knowledgeable manner, such as higher or lower quality or receiving it at a certain time, for example, by having pricing and compatibility information.

Referring to claim 8. Kay discloses a digital content pricing system (see Abstract), comprising:

- a sales computer to calculate a final price (Fig. 1 and ¶0034 – note the computer is the billing system (160) that is capable of calculating a final price);

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- a purchase computer capable of being communicatively coupled with the sales computer (Fig. 1 and ¶¶0027 – note the purchase computer can be unit 105-1, 105-2 or 105-3 which can comprise of a computer terminal and/or a set-top box); and
- a memory capable of being communicatively coupled with the sales computer, including a plurality of digital content items (Fig. 1 and ¶¶0029-0032 and 0034 – note the memory is the server (130) which is capable of being coupled to the billing system), wherein each one of the plurality of digital content items is associated with a base price (Fig. 3 and ¶¶0045 – note the base price is the default price).

Kay discloses the memory storing a base price (i.e. the default price) and another price (i.e. a discount) wherein each of the plurality of digital content items is associated with a final price related to the base price and another price by a final pricing formula (Figs. 12C, 15 and 16 and pages 3-4, ¶¶0045-0052). However, Kay does not explicitly show wherein the memory includes at least one item configuration option associated with an option price, and wherein the other price associated with a final price to the digital content item by a pricing formula is the option price.

Cansler, in the same field of endeavor and/or pertaining to the same issue, discloses a system for configuring a product using a server and computer network wherein the product has multiple configurations and the memory stores item configuration options associated with option prices (Abstract, Fig. 2, col. 5, lines 34-38, col. 7, lines 45-64 and col. 9, lines 30-33 – note the memory is the configuration database, the option prices are the MSRP and/or dealer invoice prices, and Cansler envisioned other products besides vehicles).

Rodriguez, in the same field of endeavor and/or pertaining to the same issue, teaches that multiple configurations, i.e. add-on options, associated with unalterable content can be provided. Rodriguez discloses a media system providing improved availability of purchasable recordable media content downloaded from a remote server wherein the media content, i.e. product, has multiple configurations such as content quality, download time and bandwidth and different prices for each configuration (Figs. 12-16 and ¶¶0068, 0069, 0072-0074, 0080 and 0081).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to have modified the system of Kay to include the teachings of Cansler and Rodriguez to allow for the memory to include at least one item configuration option, such as content quality, associated with an option price, and to use this option price as the other price to associate with the digital content final price by the pricing formula. One of ordinary skill in the art would have been motivated to do so based on the suggestions taught by Cansler and Rodriguez that doing so would allow for customers to choose and configure their own customized product, such as higher or lower quality or receiving it at a certain time, to be in a more efficient and knowledgeable manner, for example by having pricing and compatibility information (Cansler, col. 3, lines 58-65 and Rodriguez, ¶¶0068 and 0069).

Referring to claim 9. Kay in view of Cansler and Rodriguez discloses the digital content pricing system of claim 8 further comprising an item selection device capable of being communicatively coupled to the purchase computer (Kay, Fig. 1 and ¶0027 – note the item selection device is the remote control unit (125) which is connected to the purchase computer).

Referring to claims 10 and 11. All of the limitations in apparatus claims 10 and 11 are closely parallel to the limitations of apparatus claims 2 and 5, analyzed above and are rejected on the same bases.

Referring to claim 25. Kay discloses a digital content pricing system (see Abstract) comprising:

- a sales computer to calculate a final price (Fig. 1 and ¶0034 – note the computer is the billing system (160) that is capable of calculating a final price);
- a memory capable of being communicatively coupled with the sales computer, including a plurality of digital content items (Fig. 1 and ¶¶0029-0032 and 0034 – note the memory is the server (130) which is capable of being coupled to the billing system), wherein each one of the plurality of digital content items is associated with a base price (Fig. 3 and ¶0045 – note the base price is the default price).

Kay discloses the memory storing a base price (i.e. the default price) and another price (i.e. a discount) wherein each of the plurality of digital content items is associated with a final price related to the base price and another price by a final pricing formula (Figs. 12C, 15 and 16 and pages 3-4, ¶¶0045-0052). However, Kay does not explicitly show wherein the memory includes at least one item configuration option associated with an option price, and wherein the other price associated with a final price to the digital content item by a pricing formula is the option price.

Cansler, in the same field of endeavor and/or pertaining to the same issue, discloses a system for configuring a product using a server and computer network wherein the product has

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multiple configurations and the memory stores item configuration options associated with option prices (Abstract, Fig. 2, col. 5, lines 34-38, col. 7, lines 45-64 and col. 9, lines 30-33 – note the memory is the configuration database, the option prices are the MSRP and/or dealer invoice prices, and Cansler envisioned other products besides vehicles).

Rodriguez, in the same field of endeavor and/or pertaining to the same issue, teaches that multiple configurations, i.e. add-on options, associated with unalterable content can be provided. Rodriguez discloses a media system providing improved availability of purchasable recordable media content downloaded from a remote server wherein the media content, i.e. product, has multiple configurations such as content quality, download time and bandwidth and different prices for each configuration (Figs. 12-16 and ¶¶0068, 0069, 0072-0074, 0080 and 0081).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to have modified the system of Kay to include the teachings of Cansler and Rodriguez to allow for the memory to include at least one item configuration option, such as content quality, associated with an option price, and to use this option price as the other price to associate with the digital content final price by the pricing formula. One of ordinary skill in the art would have been motivated to do so based on the suggestions taught by Cansler and Rodriguez that doing so would allow for customers to choose and configure their own customized product, such as higher or lower quality or receiving it at a certain time, to be in a more efficient and knowledgeable manner, for example by having pricing and compatibility information (Cansler, col. 3, lines 58-65 and Rodriguez, ¶¶0068 and 0069).

Kay in view of Cansler and Rodriguez discloses a system capable of calculating a final price using a formula, but does not explicitly disclose wherein the final pricing formula

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comprises $ITEMPRICEA = ADJA * [BASEA + (OA1 * PA1) + (OA2 * PA2) + (OA3 * PA3)]$,

wherein BASEA is the base price for a selected digital content item A, ADJA is an item price adjustment factor for digital content item A, the values OA1, OA2, and OA3 are prices for individual options associated with digital content item A, and the factors PA1, PA2, and PA3 are option-specific price adjustment factors associated with the options OA1, OA2, and OA3.

However, this limitation does not distinguish the claim from the prior art because the structure of Kay in view of Cansler and Rodriguez is capable of calculating a final price using the specific formula. Claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, *see In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA, 1959). A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (Bd. Pat. App. & Inter. 1987).

Response to Arguments

Applicant's arguments filed October 18, 2006, have been fully considered but they are not persuasive. In response to Applicant's argument Applicant argues that the Examiner did not establish a prima facie case of obviousness because it would be "counter-productive to combine the teachings of Cansler with Kay," and because "there is no teaching, suggestion, or motivation in either reference for an attempt ... to modify or to provide add-on options for an unalterable product such as a movie," (Remarks, pages 6), the Examiner disagrees. Applicant defines "options" as possibly including "paying less for an item if advertising is included, paying more

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for a higher-quality recording or supplemental content, etc.” (Specification, page 3, lines 28-30). Kay discloses such types of options for digital content, i.e. discounts and customized billing rates for products and categories and discloses storing these rates (¶¶0045-0047). Cansler teaches that a memory can store options and configurations of a product and calculate a final price. To clarify, however, Rodriguez is cited to for the teaching that one of ordinary skill in the art would have conceived of such add-on options or configurations as content quality, bandwidth and download time for content such as movies.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Amee A. Shah whose telephone number is 571-272-8116. The examiner can normally be reached on Mon.-Fri. 7:00 am - 3:30 pm.

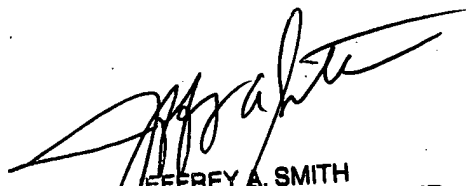
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

AAS

December 21, 2006



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